

ARTICLE APPEARED
ON PAGE D-2

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REED IRVINE

CIA asks ABC for a retraction

For two nights running, on Sept. 19 and 20, ABC's "World News Tonight" ran a report about an investment banking firm in Hawaii run by a man named Ronald Rewald. The firm had gone broke, and Ronald Rewald is accused of swindling investors of \$22 million. He has been indicted on one hundred counts of fraud, perjury, and tax evasion. Mr. Rewald claims he was a CIA agent and that his firm was a CIA front. The CIA has acknowledged a slight involvement with the firm, but it won't say whether Mr. Rewald was an agent.

The judge handling the Rewald case examined confidential documents provided by the CIA. He said he was not able to find anything in these documents to justify Mr. Rewald's claim that he was acting on behalf of the agency in carrying out the fraudulent transactions for which he was indicted. ABC neglected to mention that. Instead, it tried to build a sensational anti-CIA story.

ABC reported that Mr. Rewald and an associate, who also claimed to be a CIA agent, had at one point gone to Hong Kong to spread scare stories about the financial impact of the takeover of Hong Kong by Communist China scheduled for 1997, when the British lease expires. Mr. Rewald was shown saying: "We were doing our part just like everyone else was, to keep that money flowing toward the United States, as opposed to Europe or some other country." The implication was that this was a clandestine CIA operation. Most viewers probably got that impression, but a careful reading of the transcript shows that neither Mr. Rewald nor ABC correspondent Gary Shepard actually made any such claim.

ABC was explicit, however, in charging that Mr. Rewald's firm was involved in arranging for the shipment of military hardware to countries such as Syria, India, and Taiwan. It said that a multimillion-dollar deal with Taiwan through the Rewald firm enabled the CIA to circumvent an agreement with Communist China that barred the United States from supplying certain offensive weapons to Taiwan.

ABC's authority for this claim was another Rewald associate, Russell Kim, who also claimed to be a CIA agent. No evidence to back this up was provided. But this was mild compared to what followed. ABC put on a man named Scott Barnes, who claimed that he had been ordered by the CIA to kill Mr. Rewald while he was in prison.

The CIA rarely responds to charges against it, but it found this ABC report a bit too much. It issued a public statement denouncing the report as "irresponsible journalism." It said, "The allegations are totally false and are insulting not only to the CIA but to the U.S. system of justice that has been examining the case. As ABC knows, the CIA, along with the rest of the U.S. government is prohibited by law from engaging in or contemplating assassination. ABC should make whatever evidence it has available to the Justice Department."

ABC refused to run the complete CIA statement, but on "World News Tonight" on Sept. 26, anchorman Peter Jennings read the following statement: "Last week on this broadcast, we told you the story of a man named Ronald Rewald and about his undercover work for the CIA. One man that we identified as working for the agency said he was asked by his CIA contact to kill Rewald. The agency denied any such thing and repeated requests by ABC News for more comment on what we knew about the Rewald story were denied. Well, the CIA has now made a public statement, and it says in part that we, ABC News, wrongly accused the agency of attempted assassination and other improper practices. Our report, says the CIA, contained false and distorted statements. We stand by our story, and the investigation continues."

That statement has a familiar ring. Two days earlier ABC had revealed that it had reached an out-of-court settlement of a libel suit filed by Howard Safir, assistant director of the U.S. Marshals Service. Reportedly ABC agreed to pay Mr. Safir \$235,000. This was for a story that ABC had stood by in 1980. It had accused Mr. Safir of either being "badly misinformed or intentionally lying" about the record of the federal witness protection program. Mr. Safir sued, and he considers the settlement a vindication.

ABC knows that the CIA can't sue and that it is safe in airing wild stories about it floated by men whose credibility is unknown.

Reed Irvine is chairman of the board of Accuracy in Media, a news-monitoring organization based in Washington, D.C.